GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:2362
ANSWERED ON:04.08.2015
Shortage of Fund
Chautala Shri Dushyant

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Ministry is facing a severe fund crunch for disbursing food subsidy; and

(b) if so, the details thereof and the action taken/proposed to be taken by the Government in this regard indicating the extent of shortage being experienced?

Answer

MINISTER OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SHRI RAM VILAS PASWAN)
(a): Yes Madam. Owing to less allocation of funds in the Budget compared to projected requirement, this Department is facing shortage of funds in disbursing food subsidy to Food Corporation of India as well as States, which have adopted Decentralised Procurement Scheme (DCP).

(b): A brief statement indicating the requirement projected in Revised Estimate 2014-15 and Budget Estimate 2015-16 and allocation made in the Budget is given at under:
(Rs. in crore)

	FCI	DCP States
Projections made in RE 2014-15	147730	23500
Actual allocation in RE 2014-15	97000	21175.81
Shortfall during 2014-15	50730	2324.19
Projections made in BE 2015-16	119348	27000
Actual allocation in BE 2015-16	97000	22919
Shortfall during 2015-16	22348	4081

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In this regard, it is submitted that this Department has regularly been pursuing the matter regarding allocation of sufficient fund for food subsidy. Though Government has increased the budgetary allocation for food subsidy in recent years but owing to budgetary constraints and other pressing financial commitments, allocation made is still insufficient to meet the actual requirement of funds, especially in respect of FCI. Some of the measures taken by the Government to make available the sufficient amount of funds to FCI in order to enable it to run the procurement operations smoothly is as under:

(i) Sanction of Cash Credit Limit (CCL) of Rs.54495 crore.

(ii) Enhancement of limit of Short Term Loan from Rs.20000 crore to Rs.30000 crore.

(iii) Sanction of Ways and Means Advance of Rs.10000 crore.

(iv) In addition, a proposal for issue of Government guaranteed bonds of loan of Rs.40000 crore to Life Insurance Corporation of India (LIC) against arrear subsidy is under examination.

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